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UNCLAS SECTION 01 OF 02 PRAGUE 000607

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SUBJECT: CZECH ELECTION RESULTS: TOTAL STALEMATE

REF: A. PRAGUE 591

1B. PRAGUE 579

1C. PRAGUE 549

1D. PRAGUE 535

1E. PRAGUE 516

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- 11. (SBU) SUMMARY: The June 2-3 Czech general elections ended in a dramatic stalemate, with the left and the right camp each receiving 100 seats in the 200-seat Chamber of Deputies, and Prime Minster Paroubek threatening to file a complaint with the courts to have the results annulled. An obvious possibility is a grand coalition of the two main parties, which would hold 155 seats. However, deep personal animosities between the leaders of the two main parties, exacerbated by a harsh campaign and a bitter post-election speech, will make a grand coalition difficult to achieve. A minority government is also possible, although hardly desirable, given its inherent fragility. With a dead-even split between the left and the right, we expect each side to try and coax one, two, or a few parliamentarians to the other side in a desperate attempt to forge a majority coalition. END SUMMARY.
- $\P2$. (U) As predicted (ref A), none of the five parties that crossed the 5% threshold to enter Parliament won enough votes to form a majority government, so the Czech Republic will once again be government by a coalition. The opposition right-of-center Civic Democrats (ODS) won a narrow victory over the ruling left-of-center Social Democrats (CSSD) 35.45% to 32.3%. The Communists (KSCM) won 12.8%, the Christian Democrats (KDU-CSL) 7.2%, and the Greens (SZ) 6.3%. The 200 seats in the lower house of Parliament will be distributed as follows: ODS 81, CSSD 74, KSCM 26, KDU-CSL 13, SZ 6. So the right-wing coalition (ODS, KDU-CSL, SZ) has 100 seats and the left-wing coalition (CSSD, KSCM) has 100 seats. Turnout was unexpectedly high, averaging almost 65% nationwide, compared to 58% four years ago. The country was more or less split in half, with CSSD winning in the Moravian (eastern) half of the country and ODS winning the Bohemian (western) half. The only exception was the electoral district around Usti Nad Labem in Bohemia, where Paroubek won a close race against current Mayor Petr Gandalovic (ODS).
- 13. (SBU) President Klaus (ODS honorary chairman) made a statement after the results were announced by the Czech Statistical Officer, saying he will meet with ODS Chair Mirek Topolanek on June 4 to "begin post-election talks." Under normal circumstances, the President would have limited influence over the formation of a new government. However,

given Klaus' strong personality and the current stalemate, we expect Klaus to, once again, try and push the envelope on the powers and practices of the Office of the President.

- 14. (U) Hours after the polls closed on June 3, Paroubek gave a speech acknowledging that while it was tradition to make a gesture of congratulations to the winning side, he would not do so. Instead, he gave a biting speech full of sour grapes and vitriolic attacks on ODS for its history of corruption when previously in government (eight years ago), and for their dirty tricks in the recent campaign (Note: Paroubek is referring to testimony by the head of the State Police Organized Crime Unit to the Parliamentary Defense and Security Committee only three days before the election, in which he reported that the current government has ties to organized crime and has interfered in and restricted his unit's investigation into certain cases. End Note.) The speech did not contain any traditional olive branch gesture. Instead, Paroubek ended his speech with, "at this time, ODS cannot form a majority government, and Topolanek and Klaus know it!"
- 15. (SBU) Milan Ekert, a CSSD parliamentarian who did not run in this election, told poloff that the only way forward was to remove both Paroubek and Topolanek and let others in the two large parties negotiate a way forward. There is no sign that Paroubek would consider a grand coalition. In fact, he announced on June 4 that he was ready to take the party in to opposition, and could even see supporting a minority ODS government on some issues. It is not clear, however, whether CSSD as a whole shares his view. At ODS headquarters, Prague Major Pavel Bem, the most likely replacement for Topolanek as ODS Party Chair, rejected the idea of a grand coalition. ODS Deputy Chair Petr Necas also reacted to Paroubek's speech, saying that if Paroubek was speaking on behalf of CSSD, a grand coalition would not be possible. ODS has said that in the event of a tie, they would prefer a temporary government

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of apolitical technocrats, followed by early elections. However, early elections are difficult under the Czech constitution. Topolanek has promised to resign if he is not able to form the next government.

- 16. (U) One element of surprise during this election was that the Communists fared worse than predicted, with only 12.8% of the vote, down roughly 6% from 2002. The party will consequently lose 15 of its current 41 seats in Parliament. Given the poor results, Party Chair Vojtech Filip submitted his resignation to the party's executive board, but the board rejected it. On the morning of June 4, Filip conceded ODS victory in the elections and suggested a "coalition of national accord," whereby all five parties crossing the 5% threshold to enter Parliament would take part until early elections take place, which could take half a year.
- 17. (U) The Christian Democrats came in fourth with 7.2%. The party failed to reach the 5% threshold in five of the 14 electoral districts, but did well enough in its strongholds (Zlin and Visocina) to win 12 seats, down from the current 121. Foreign Minister Cyril Svoboda, Deputy Party Chair and rival of Party Chair Miroslav Kalousek, said that if he had promised 10% as Kalousek did and failed to deliver, he would consider stepping down. Kalousek accepted responsibility for the party's poor showing but refused to step down, saying that this was not the time to settle internal party issues.
- 18. (U) The Greens became a parliamentary party for the first time, but will have only 6 seats. Their lower-than-expected number of Parliamentary seats could make the untested party less of a concern for potential partners. Green Party Chairman Martin Bursik reacted to Paroubek's biting post-election speech by saying that there was no way the party would negotiate with him. "We won't even take their calls now," noted Bursik.

¶9. (U) The European Democrats (SNK-ED), led by former Prague Mayor Jan Kasl, won 2.1%, not enough to enter Parliament. However, they did cross over the 1.5% threshold for receiving state election funding, which means they will be able to operate until the next elections.
¶10. (SBU) COMMENT: The only thing that is certain is that the country could be facing a prolonged period of uncertainty. Party leaders will begin protracted closed-door negotiations on a way out of the impasse with few prospects of a clear satisfying way forward. This is now the third election in a row that has not resulted in a clear mandate. Many politicians are already discussing ways to change the electoral system to try and address such outcomes, although that, too, will depend on how the current impasse plays out.

DODMAN